



# Survive

Open for Business

- Central Info Sharing Platform
  - Re-opening best practices
  - Recovery support one stop shop
  - SMB promotion (open 4 biz)
  - PPE Connections for SMB
  - Consumer/Employee Confidence

Ecosystem/Partner Support

- Existing Partner Grants
- B2C Small Business Accelerator

Small Business Access to Capital

- Micro Business (0-5 employees)
- Small Business (6-25 emp)

Workforce Readiness

- Intensive Career Cohorts
- Workforce Partner Support

# Thrive

Intensive Career Cohorts

Workforce Partner Support

Business Innovation

- Resilient Restart Program

Thrive Business Grants

- Thrive Hiring Grant
- Innovate Business Grant

CITY of CHARLOTTE



## Thrive Initiatives

- Workforce Readiness *(Continued)*
- Resilient Restart Program
- Thrive Hiring Grant
- Innovate Business Grant

# Resilient Restart Program

## Intensive resiliency & continuity plan curriculum for small businesses

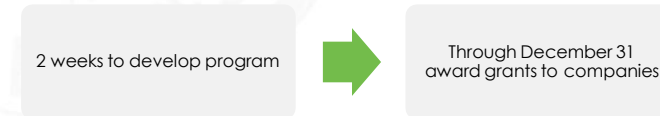
- Resiliency plan is critical to small business stabilization
- Curriculum provides cohort based training approach to risk/crisis management and business continuity



# Thrive Hiring Grant

## Incentivize companies to hire and put residents to work

- Creates new jobs in our City that can provide opportunities to our unemployed residents
- Offset the expense of hiring those who have retooled their careers to take new opportunities
- Building off Opportunity Hiring Grant, this is a cash grant, paid out monthly, per employee hired
- Existing and new businesses are eligible



# Innovate Business Grant

Access to capital to help resilient small businesses thrive by addressing the new demand associated with ongoing COVID-19 response

- Purchase new technology hardware or software (i.e. going cashless)
- Obtain any resources to help resilient businesses pivot and thrive
- Deploy new technology tools from B2C accelerator

August launch



Through fall award grants to companies



## Update on Charlotte Economy

### Mark Vitner



## Economic Outlook

Mark Vitner, Managing Director & Senior Economist  
June 30, 2020

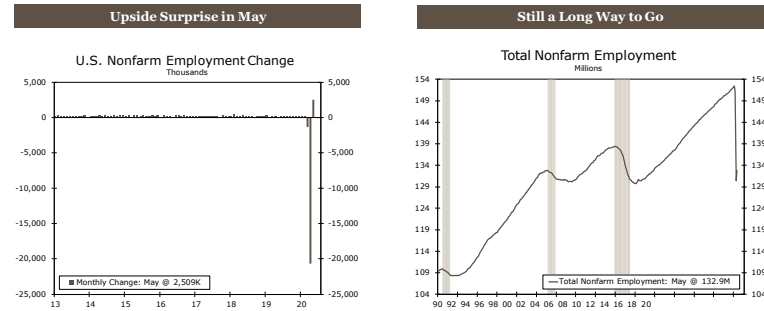


### U.S. Review

Economic Outlook	▪ Shutdowns implemented to slow the spread of COVID-19 wiped out economic growth in Q1 and led to massive output and employment declines in Q2. Efforts to re-open the economy are progressing slowly.
Quantifying the Contraction	▪ There were few obvious imbalances prior to the COVID-19 outbreak, which should help prevent the healthcare and economic crisis from becoming a financial crisis. The massive loss of income and wealth will take a heavy toll.
Notable Impacts	▪ With the leisure & hospitality industry abruptly shut down, layoffs soared in April. The sector recouped some of the losses in May, but like the broader economy there is still a long way to go before it is fully recovered.
What Kind of Recovery?	▪ The abrupt shutdown of economic activity combined with the absence of imbalances in the most cyclical parts of the economy has given rise to hopes of a V-shaped recovery. We expect to see a “bouncing” swoosh.
Small Business	▪ Small Business owners have been hit hard by the Covid shutdowns and ensuing recession. Minority-owned firms were hit hardest. Re-opening is problematic, as firms balance social distancing with fairly modest demand.

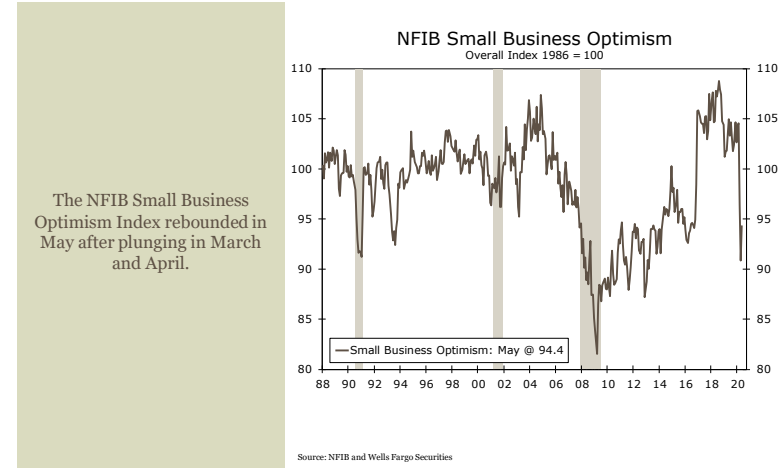
Employment

The May nonfarm payroll report was easily the largest upside surprise in history, highlighting the unusual nature of this recessions, which is more of a surreal exogenous event rather than a typical cyclical recession. There is still a long way to go to recover the March & April losses.



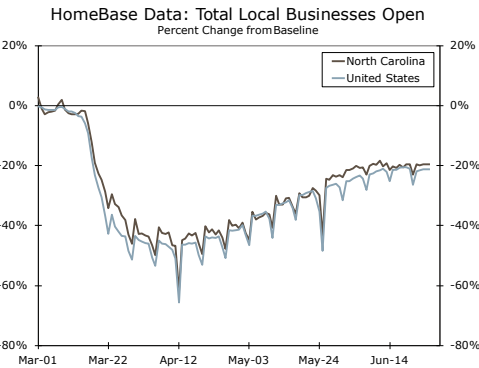
Source: U.S. Department of Labor and Wells Fargo Securities

Small Business



Small Business

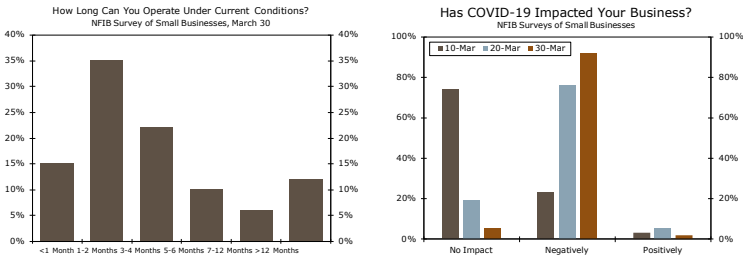
Despite some recovery over the past months, a significant number of small businesses have not re-opened



Source: HomeBase and Wells Fargo Securities

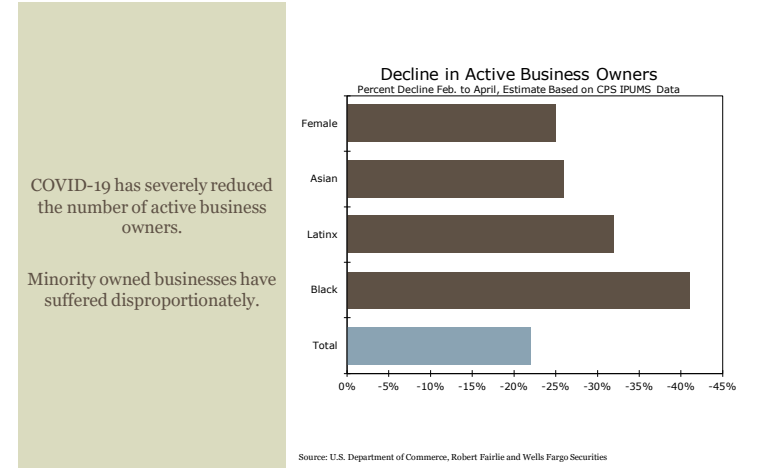
Small Business

Most small businesses reported only being able to last for a couple months under conditions in late March.

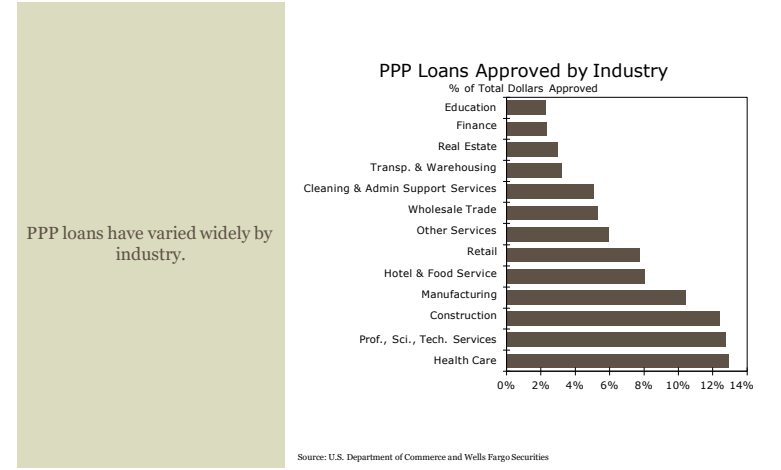


Source: NFIB and Wells Fargo Securities

Evidence of Early-Stage Losses



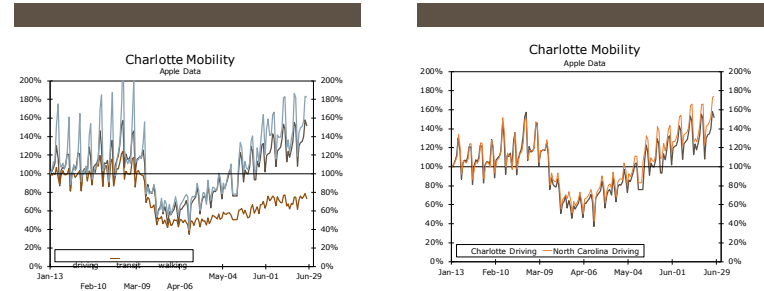
PPP Loans By Industry





North Carolina Mobility

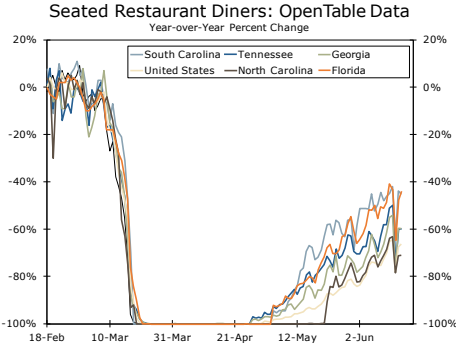
Walking and driving in Charlotte have recovered.



Source: Apple and Wells Fargo Securities

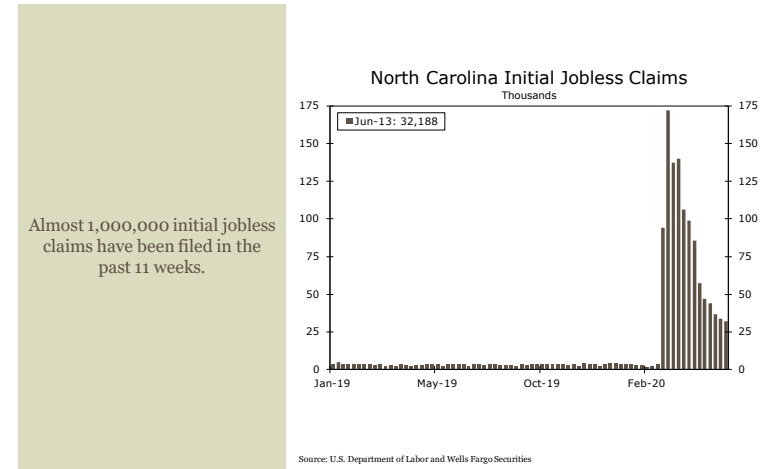
North Carolina Restaurants

We can clearly see North's Carolina's delayed re-opening relative to its neighbors.

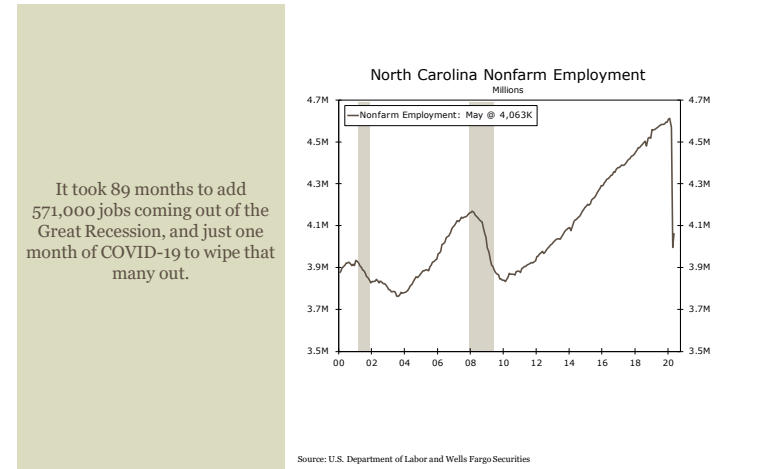


Source: OpenTable and Wells Fargo Securities

North Carolina Claims

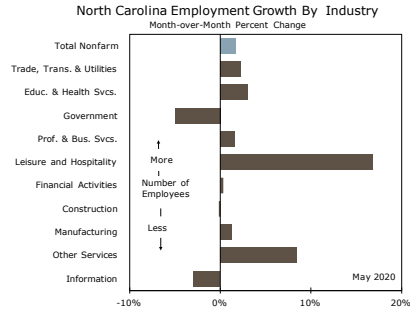


North Carolina Employment



North Carolina Employment

After every industry lost jobs in April, many started to improve in May.



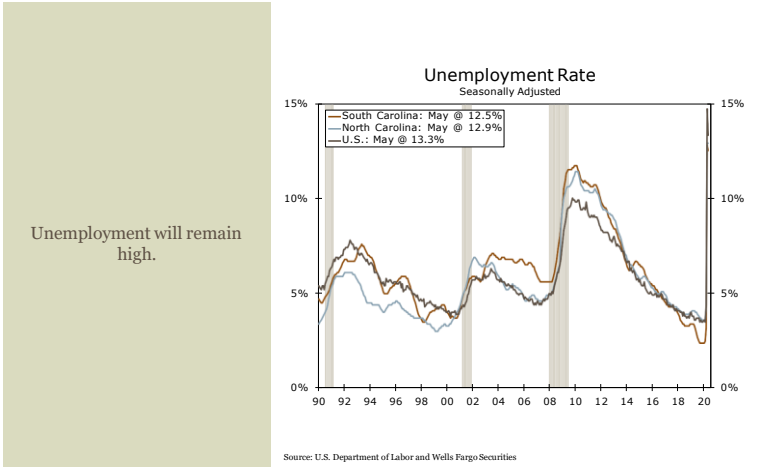
Source: U.S. Department of Labor and Wells Fargo Securities

Small Business in North Carolina

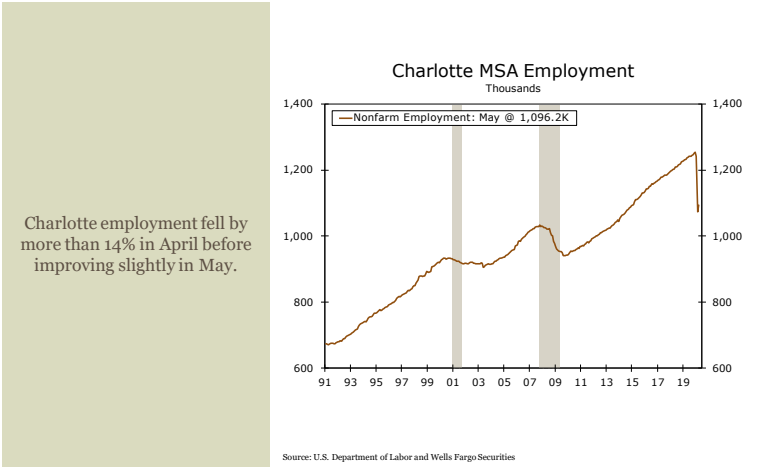
- 890,000 small businesses in 2018
- 1.6 million small business employees, or 44% of total employment in 2015
  - Health care & social assistance: 252,000 employees (44% of total industry employment)
  - Accommodation & food services: 233,000 (59%)
  - Retail Trade: 154,000 (32%)
  - Manufacturing: 154,000 (36%)
  - Construction: 149,000 (84%)
- 9,400 small businesses exported goods in 2015, accounting for 26% of total exports

Source: Small Business Administration and Wells Fargo Securities

Unemployment Rates

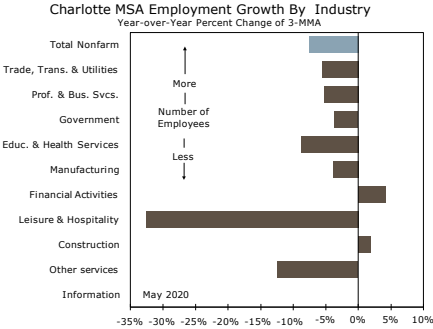


Charlotte



Charlotte

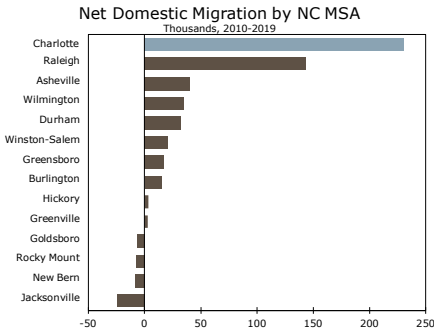
Over the past three months, most of Charlotte's major industries have seen material declines in employment compared to last year.



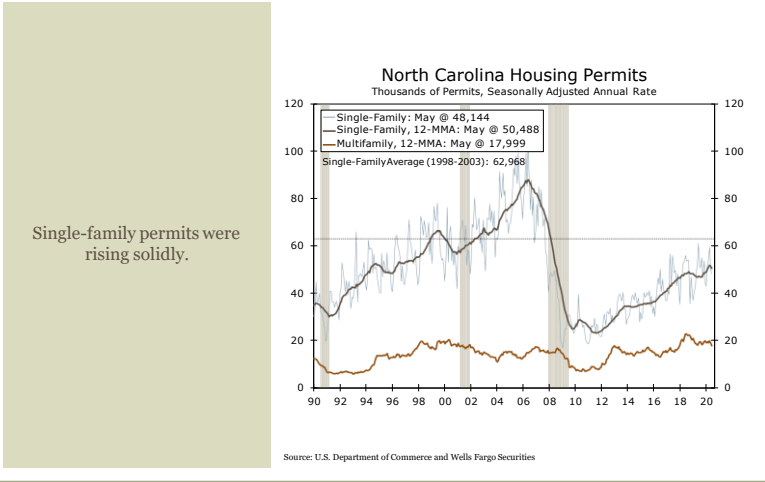
MSA Domestic Migration

Charlotte and Raleigh account for the vast majority of net migration to North Carolina.

Much of Eastern North Carolina continues to lose population.



North Carolina Housing



U.S. Economic Forecast

Wells Fargo Securities U.S. Economic Forecast																				
	Actual						Forecast						Actual	Forecast						
	2018		2019		2020		2020		2021		2021		2020	2021						
	1Q	2Q	3Q	4Q	1Q	2Q	1Q	2Q	1Q	2Q	1Q	2Q	2019	2021						
Real Gross Domestic Product <sup>1</sup>	2.6	3.5	2.9	1.1	3.1	2.0	2.1	-5.0	-37.6	25.9	10.6	3.1	2.7	2.7	2.4	2.0	2.3	-5.8	3.3	
Personal Consumption	1.7	4.0	3.5	1.4	1.1	4.6	3.1	1.8	-6.8	-43.7	39.6	10.6	3.0	2.7	2.7	2.5	3.0	2.6	-6.4	4.1
Business Fixed Investment	8.8	7.9	2.1	4.8	4.4	-1.0	-2.3	-2.4	-7.9	-28.1	-9.3	3.2	3.0	5.2	4.9	4.9	6.4	2.1	-9.5	-0.2
Equipment	6.6	3.4	2.9	7.4	-0.1	0.8	-3.8	-4.3	-16.6	-33.4	-10.8	15.1	4.4	4.6	4.0	4.9	6.3	1.1	-12.9	1.3
Intellectual Property Products	9.7	11.9	4.1	11.7	10.8	3.6	4.7	2.8	1.0	-12.2	-2.8	-4.4	3.7	7.4	6.9	6.7	7.4	7.5	-1.5	1.5
Structures	12.1	11.0	-2.1	-9.0	4.0	-11.1	-9.9	-7.2	-3.9	-45.0	-19.0	-7.5	-3.0	1.5	2.5	3.0	4.1	-4.3	-16.8	-7.9
Residential Investment	-5.3	-3.7	-4.0	-4.7	-1.0	-3.0	4.6	6.5	18.5	-35.0	6.0	2.0	3.0	5.0	4.0	6.5	-1.5	-1.3	1.1	1.1
Government Purchases	1.9	2.6	2.1	-0.4	2.9	4.8	1.7	2.5	0.8	-7.3	-1.6	2.6	1.5	0.7	0.2	0.0	1.7	2.3	-0.3	0.3
Net Exports <sup>2</sup>	0.0	0.7	-2.1	-0.4	0.7	-0.7	-0.1	1.5	1.3	0.2	-1.0	-0.2	0.1	0.1	0.0	-0.4	0.1	0.1	-0.4	-0.2
Inventories <sup>3</sup>	0.1	-1.2	2.1	0.1	0.5	-0.9	0.0	-1.0	-1.4	-0.3	1.0	2.3	0.3	0.0	0.1	-0.2	0.1	0.1	0.5	0.6
Nonfarm Payroll Change <sup>4</sup>	234	211	153	172	139	159	203	210	-303	-509	2000	550	280	240	225	215	193	178	-703	240
Unemployment Rate <sup>5</sup>	4.1	3.9	3.8	3.8	3.9	2.6	3.6	3.5	3.8	13.4	9.9	7.7	6.9	6.4	6.2	6.1	3.9	3.7	8.7	6.4
Consumer Price Index <sup>6</sup>	2.2	2.7	2.7	2.2	1.6	1.8	1.8	2.0	2.1	0.4	0.3	0.3	0.5	0.5	0.8	1.6	2.4	1.8	0.8	1.4
Quarter-End Interest Rates <sup>7</sup>																				
Federal Funds Target Rate	1.75	2.00	2.25	2.50	2.50	2.50	2.00	1.75	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	1.96	2.25	0.25	0.25
Conventional Mortgage Rate	4.44	4.57	4.63	4.64	4.28	3.80	3.61	3.72	3.45	3.00	2.95	2.95	3.00	3.00	3.10	3.20	4.54	3.94	3.09	3.08
2 Year Note	2.27	2.52	2.81	2.48	2.27	1.75	1.63	1.58	0.23	0.20	0.20	0.20	0.20	0.20	0.20	0.25	2.53	1.97	0.22	0.46
10 Year Note	2.74	2.85	3.05	2.69	2.41	2.00	1.68	1.92	0.70	0.90	1.05	1.15	1.25	1.30	1.40	1.50	2.91	2.14	0.95	1.36
Forecast as of June 01, 2020																				
<sup>1</sup> Compound Annual Growth Rate Quarter-over-Quarter						<sup>2</sup> Percentage Point Contribution to GDP				<sup>3</sup> Average Monthly Change										
<sup>4</sup> Year-over-Year Percentage Change						<sup>5</sup> Annual Numbers Represent Averages														
	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021				
Real Gross Domestic Product <sup>1</sup>	2.6	3.5	2.9	1.1	3.1	2.0	2.1	2.1	2.9	2.3	-5.8	3.3								
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Residential Investment	-5.3	-3.7	-4.0	-4.7	-1.0	-3.0	4.6	6.5	-1.5	-1.5	-1.3	1.1								
Government Purchases	1.9	2.6	2.1	-0.4	2.9	4.8	1.7	2.5	1.7	2.3	-0.3	0.3								
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Inventories <sup>3</sup>	0.1	-1.2	2.1	0.1	0.5	-0.9	0.0	-1.0	0.1	0.1	-0.5	0.6								
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10 Year Note	2.74	2.85	3.05	2.69	2.41	2.00	1.68	1.92	2.91	2.14	0.95	1.36								

Source: IHS Global Insight and Wells Fargo Securities

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# Access to Capital

## Community Outreach

- 19 webinars that reached 8,558 viewers
- Eblasts to 1,200 small business (20% open rate)
- Digital tool kit provided to 600+ businesses, churches, & neighbor associations
- Print ads in Observer, Post, LaNoticia & Que Pasa
- Received 12 media stories
- Radio ads on Norsan and Radio One networks
- 16 digital billboards
- Over 14,000 visits to landing page of website
- Numerous social media posts on Facebook, Instagram and LinkedIn

# Access to Capital

## Community Outreach to Come

- Spanish billboards on Independence and Albemarle Roads
- Content and ad in QCity Metro newsletter
- Content and ad in Charlotte Inno (entrepreneur publication)
- Feature and print ad in Pride Magazine
- Ongoing radio and print ads
- Charlotte Post Webinar
- Print ad in Saathee (South Asian-focused publication)
- Newsletter LaNoticia
- Continued social media



# Access to Capital

## Community Outreach to Come

- Canvassing in key business corridors
  - Canvassers sent out in pairs
  - Masked & social distancing
  - Wearing “Open for Business” t-shirts
  - Handing out flyers
  - Encouraging businesses to apply
  - Sharing information on YMCA help centers
- 10 - YMCA help centers planned (July 20 – 31)
  - Manned Monday thru Friday 8am to 6pm (staggered)
  - Some Saturday hours
  - Questions answered, applications entered, documents scanned



# Access to Capital

## Activity To Date (As of Sunday 6/28)/20

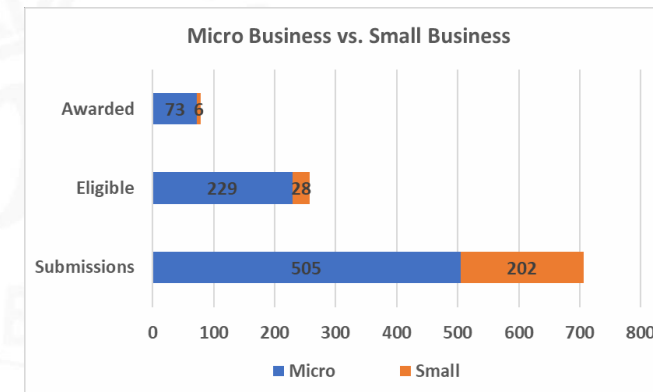
- 1680 business submitted or are in process of submission
- 707 businesses submitted
- 257 eligible at this stage
  - Have not received Federal PPP loan
  - Have not received State Golden Leaf grant
  - Have not received City Micro Loan
- Initially, primarily applicants that already received PPP funding
- Later part last week, new submissions trending toward non-recipients

# Access to Capital

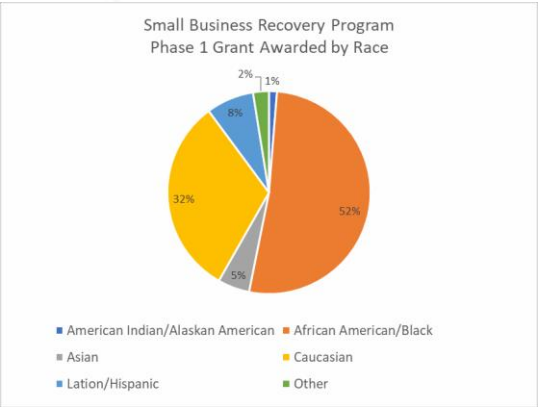
## Phase I: First Round Awards

- 79 checks to be mailed today
  - 73 micro business grants (0 to 5 employees)
  - 6 small business grants (6 to 25 employees)
  - Total Dollars disbursed \$880,000
  - Recipients geographically disbursed throughout the City
- Another 23 applicants rejected by City due to errors with W-9
  - With calls hoped to get these turned around quickly
- Another 82 reviewed that failed to successful complete application
  - 51 that we can contact and should be able to assist

# Access to Capital

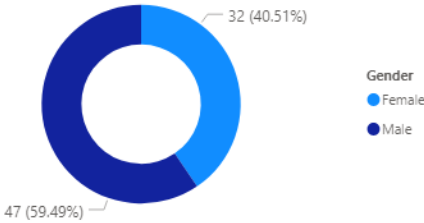


# Access to Capital



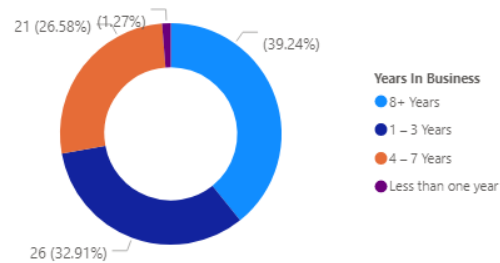
# Access to Capital

Apps by Gender



# Access to Capital

Apps by Years In Business



# Access to Capital

## Phase I: What we learned:

- Failure rate with applicants higher than we would have expected
  - Daily tweaking of application wording to clarify
  - Adding notes & reminders in application
  - Plan to contact businesses to request corrected information
  - Emails to those who started, but not complete
  - As we educate, provide reminders on frequent errors
- Failure rate from FFTC to City too high
  - FFTC clearer understanding of what City needs for vendor record

## Helpful Tips

- Make sure the EIN or SSN on the application matches the W-9.
- When entering your EIN or SSN don't use dashes.
- Legal documents provided must be signed and executed. It should be a signed lease or W-9 for example.
- The business name and the DBA name if used, must match across documents.
- The business address must match across documents.

## Small Business Partner Support Grants

- Organization must demonstrate history of serving small business for at least the past two years
- Proposed projects must demonstrate that it helps alleviate the impact of CVOID-19 on small businesses
- Maximum award is \$250,000 (\$2M in grant funds available)
- Applications were accepted June 1 – June 11
- 20 applications were reviewed by six person team
- Rated scoring sheets were completed for each eligible organization
- Awards were made June 30, 2020 (TODAY!)

# Grant Recipients

The following were awarded grants:

- ASPIRE Community Capital (\$30,000)
- Carolina Small Business Development Fund (\$250,000)
- Charlotte LGBT Chamber of Commerce (\$146,525)
- Charlotte Mecklenburg Black Chamber of Commerce (\$200,000)
- Grameen America (\$250,000)
- Historic North Charlotte Neighborhood Assoc (\$150,000)
- Historic West End Partners (\$250,000)
- Latin American Chamber of Commerce (\$244,840)
- National Black MBA Association (\$113,528)
- Prospera (\$150,000)
- Small Business & Technology Development Center (\$50,000)
- Women's Business Center of Charlotte (\$161,500)

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